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DEADMAN'S BASIN WATER USERS' ASSOCIATION

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To Whom It May Concern:

The Deadman's Basin Reservoir along with its Inlet and Outlet Canals is a state owned project that is overseen by the Montana Department of Natural Resources and Conservation (DNRC) and maintained and operated by the Deadman's Basin Water Users' Association (DBWUA).

There are more than 150 water users that make up the DBWUA and the Delphia-Melstone Canal Users (a privately owned large canal system within the DBWUA). There are 5 counties that are effected by Deadman's Basin including Wheatland, Golden Valley, Musselshell, Garfield, and Petrolia. There are also the communities of Ryegate, Lavina, Roundup, Musselshell, and Melstone that are largely effected by Deadman's Basin and the Musselshell River.

The DBWUA Board of Directors and shareholders have been working diligently throughout the past 15 years to update and rehabilitate an over 50 year old system. More than \$3,000,000.00 has been spent on project rehabilitation including structure replacement, canal rebuilding, and canal lining for water quality and quantity improvement. Funding has come from the water users as individuals as operation and maintainence expense, reserve funds, and loans whenever necessary. Funding has also been obtained from NRCS EQIP, RRGL grants and loans, and the DNRC and State of Montana as project owners.

This very proactive group of ranchers would like to continue with the rehabilitation and improvements through the economic stimulus package. The water users already have \$400,000.00 in construction loans and will be faced with an additional \$400,000.00 in a new loan to improve the safety factor of the dam owned by the State of Montana. The Deadman's Basin Reservoir not only benefits the irrigators, but also recreationists and communities.

The Deadman's Basin Water Users' Association submitted a list of \$1,156,850.00 in shovel ready Stimulus Funding Projects through the Lower Musselshell Conservation District on January 5, 2009. These projects, in order of priority, are as follows:

1. Deadman's Basin Terminal Outlet Replacement Project

- a. DBWUA is requesting \$400,000.00 from the stimulus package to offset the \$400,000.00 RRGL loan.
- b. The purpose of the project is to increase the safety factor of the dam, install a toe drain, and extend the outlet structure.
- c. This project is truly shovel ready as it has been designed by WWC Engineering and is ready to go to bids sometime within the next 3 to 6 months as is scheduled for completion by December 31, 2009.
- d. Total Estimated Project Cost is \$1,000,000.00
 - i. The DNRC has applied for funding through the Renewable Resources Grant and Loan Program (RRGL).
 1. A grant for \$100,000.00 has been applied through the RRGL and is detailed on lines 28 & 29 of House Bill No. 6.
 2. A loan for \$400,000.00 has been applied through the RRGL along with the \$100,000 grant.
 3. Funding of \$500,000.00 from the water storage account has been earmarked for this project and is in House Bill No. 5.

2. Rip Rap placement on the Barber Canal

- a. DBWUA is requesting \$20,000.00 from the stimulus package.
- b. The purpose of the project is to reshape 4000 linear feet of the Barber Canal, place geotextile fabric, and place 900 cubic yards of rip rap rock to control erosion. The rip rap has already been mined and is located on site.
- c. No survey or design is required and the rock is ready to be placed.
- d. Total estimated project cost is \$40,000.00
- e. DBWUA has already paid \$20,000.00 for the rock to be mined and moved to the placement sites.

3. Rehabilitate and Line 2000 linear feet of the Inlet Canal

- a. DBWUA is requesting \$297,000.00 from the stimulus package.
- b. The purpose of the project is to completely reshape, rehabilitate, and line with a 45 mil EPDM canal liner for water quantity and quality savings. This new lining segment will

connect with 1800 linear feet of canal that was rehabilitated and lined in the fall of 2008.

- c. The initial survey has been completed in this reach of canal and construction could begin as early as September 1, 2009 with a completion date of December 31, 2009.
- d. Total estimated project cost is \$297,000.00.
- e. No funding has been established for this project.

4. Rehabilitate and Line leaking dam on the Inlet Canal

- a. DBWUA is requesting \$144,500.00 from the stimulus package.
- b. The purpose of the project is to build a new canal berm that would create a left hand bank, replace a failed culvert in the dam, and line 500 feet of the dam.
- c. The initial survey has been completed in this reach of canal and construction could begin as early as September 1, 2009 with a completion date of December 31, 2009.
- d. Total estimated project cost is \$144,500.00.
- e. No funding has been established for this project.

5. Rehabilitate 2000 linear feet of the Inlet Canal

- a. DBWUA is requesting \$75,000.00 from the stimulus package.
- b. The purpose of the project is to rehashape and rehabilitate 2000 linear feet of canal bank, add freeboard, and gravel the top of the canal bank for O&M access.
- c. Construction could begin on this segment of canal in April of 2009 and would be completed by December 31, 2009.
- d. Total estimated project cost is \$75,000.00.
- e. No funding has been established for this project.

6. Musselshell Cooperative Effort – Measuring Devices along the Basin

- a. DBWUA is requesting \$107,350.00 from the stimulus package.
- b. The purpose of the project is to install 7 measuring devices on the main State Owned canals in order to provide accurate and consistent measurement along the Musselshell River. This would benefit DBWUA, the Upper Musselshell Water Users Association, and the Delphia Melstone Canal Users Association.
- c. The measuring devices could be installed at any time.
- d. Total estimated project cost is \$107,350.00.
- e. No funding has been established for this project.

7. Musselshell Cooperative Effort – Headgate Installation

- a. DBWUA is requesting \$68,000.00 from the stimulus package.
- b. The purpose of the project is to install 2 new radial arm gates at the Deadman's Basin Inlet Canal diversion structure to stop water from leaking into the Inlet Canal, thus improving in-stream flows.
- c. The headgates would be installed during low flows in the Musselshell River, likely in late August or early September of 2009.
- d. Total estimated project cost is \$80,000.00.
- e. DBWUA would contribute the approximately \$12,000 needed to remove the existing head gates.

8. Careless Canal Lining

- a. DBWUA is requesting \$45,000.00 from the stimulus package.
- b. The purpose of the project is to line 500 linear feet of the Careless Canal to improve water quality and water quantity.
- c. The lining could be installed prior to May 1, 2009 or after September 30, 2009 and would be completed by December 31, 2009.
- d. Total estimated project cost is \$45,000.00.
- e. No funding has been established for this project.

If you have any questions, or would like to discuss any of these projects or details, please feel free to contact me at (406) 320-1675, 323-3407, or 323-3533. Thank you for your time and continued support.

Sincerely,

Teri Hice, Project Manager